

REICH, ADELL, CROST & CVITAN

A PROFESSIONAL LAW CORPORATION

3550 WILSHIRE BOULEVARD, SUITE 2000
 LOS ANGELES, CALIFORNIA 90010
 TEL (213) 386-3860 • FAX (213) 386-5583
 www.racclaw.com

HIRSCH ADELL
 PAUL CROST
 ALEXANDER B. CVITAN
 MARIANNE REINHOLD
 J. DAVID SACKMAN
 LAURENCE S. ZAKSON

OF COUNSEL
 GEORGE A. PAPPY
 STEVEN T. NUTTER

MARSHA M. HAMASAKI
 NEELAM CHANDNA
 CARLOS R. PEREZ
 DEBRA S. GOLDBERG
 PETER A. HUTCHINSON
 ANDREW BIRNBAUM
 WILLIAM Y. SHEH

JULIUS MEL REICH
 (1933 - 2000)

December 8, 2006

VIA FACSIMILE & OVERNIGHT DELIVERY

(916) 322-6440

Hon. Liane M. Randolph, Commission Chair
 Luisa Menchaca, Esq., General Counsel
 Fair Political Practices Commission
 428 J Street, Suite 800
 Sacramento, CA 95814

Re Proposal for Regulation on Reporting of Specified Contributions and
 Expenditures by Political Party Committees
Proposed 2 C.C.R. Section 18530.3 •

Dear Chairwoman Randolph and Ms. Menchaca:

This law firm is counsel to the Los Angeles County Democratic Central Committee, also known as the Los Angeles County Democratic Party (LACDP).

The LACDP has reviewed the proposal to require political party committees to report certain contributions and expenditures used for the purpose of making expenditures supporting or defeating state or local candidates and/or ballot measures. As a general proposition, the LACDP believes that the proposed regulation is superior to the proposal as to which pre-notice comments were solicited. That said, the proposed regulation presents two specific issues warranting comment.

- 1 The proposed regulation requires the disclosure by a political party committee of the political party committee's receipt of "Federal Levin Fund" contributions which are used to make "contributions." At the time contributions to the "Federal Levin Fund" are received, it is often impossible to know how the funds will be used. For example, at the time contributions are received, a political party committee does not know if the funds will be used for "contributions," independent expenditures, membership communications, issue advocacy, get-out-the-vote activities or generic party activities. Accordingly, the LACDP's treasurer advises that she would not have sufficient information to comply and would likely be left with no practical alternative other than to report all contributions to the "Federal Levin Fund." Because such contributions are already reported on a political party committee's

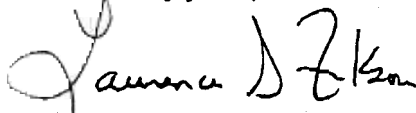
Hon. Liane M. Randolph
December 8, 2006
Page 2 of 2

federal reports, the LACDP sees no useful purpose for this reporting requirement and suggests that it be deleted from subsection (a) of the proposed regulation (2 C.C.R. Section 18530.3).

2. With respect to subsection (b), the LACDP believes that Option 2--which provides for reporting of expenditures from a federal account which constitute an "expenditure" for the purpose of supporting or defeating a candidate for state or local office--is preferable to Option 1 because Option 2 does not involve the Commission in interpreting and applying federal law and because Option 2 will result in fewer situations in which legal advice is required to determine whether an expenditure out of a federal account must be reported under state law than would be the case under Option 1. However, Option 2 still presents a committee's treasurer with difficult (and easily second-guessed) judgments about whether an expenditure must be reported, particularly where the communication constitutes issue advocacy or otherwise lacks express advocacy. To avoid this problem with minimal, if any, reduction in the availability of information to the public, the LACDP recommends that Option 2 be limited to expenditures which constitute: (a) "contributions"; (b) "independent expenditures"; or (c) "membership communications" which would constitute "contributions" or "independent expenditures" if made to persons outside the exemption set forth in Government Code Section 85312.

On behalf of the LACDP, I thank you for your consideration of these comments in your deliberations concerning this important matter.

Very truly yours,



Laurence S. Zakson
of REICH, ADELL, CROST & CVITAN

LSZ/caw

cc Commissioner Philp Blair
Commissioner Sheridan Downey, III
Commissioner A. Eugene Huguenin, Jr.
Commissioner Ray Remy
Eric C. Bauman, Chairman, LACDP
Lance Olson, Esq.
Charles Bell, Esq.